FY15 Small Business

A small business is defined as a for profit business (corporation, limited liability company or proprietorship) that falls under SBA's established size standards for manufacturing and non-manufacturing industries. According to the U.S. Small Business Administration (SBA), small businesses represent 99.7 percent of all employer firms. Since 1995, small businesses have generated 64 percent of new jobs, and paid 44 percent of the total United States private payroll. That substantial part of the economy stimulates and drives the rest of the U.S. economy by providing funds for employees to spend on necessities and other items they desire. [A]

While small businesses may not generate as much money as large corporations, they are a critical component of and major contributor to the strength of local economies. Small businesses present new employment opportunities and serve as the building blocks of the United States' largest corporations. Many small businesses also possess the ability to respond and adapt quickly to changing economic climates. This is due to the fact that small businesses are often very customer-oriented. Small businesses employ over 56 million people in the United States, and, according to the SBA, that is equal to 57 percent of the private sector employees in the nation. Small businesses create more new jobs than larger firms. The SBA reports that from 2005 to 2008, small businesses were responsible for creating 81.4 percent of the net new jobs in the U.S. Job growth is imperative for the continued growth of the U.S. economy, and small businesses meet those needs with new jobs being created all the time. [B]

Small Business suppliers are in decline. Over the past 10 years, there has been a decline of 12.26% in the total number of small business vendor's to the Federal government. There are 15,178 less small business vendors today than there were in 2005. There are 36,198 less small business vendors today than in 2008. In FY14 there were 261,969 small business vendors listed in the SBA DSBS seeking contracts. Only 108,660 (41.4%) secured contracts in 2014. The decline in the percent of "Other than Small" vendors has been significantly less, 6.2%. NOAA awarded contracts to 3,352 individual small business firms in FY15 (Source: FPDS-NG).

Numbers of firms registered by sub-categories in SAM :

6,665	8(a) (SDB certified)
88,167	SDB (Self-certified)
5,190	HUBZone
36,472	VOSB
15,568	SDVOSB
38,105	WOSB
13,954	EDWOSB

Table 1 – Outlines the Number of Small Business Registered by category in System for Award Management (SAM) in FY 2014.
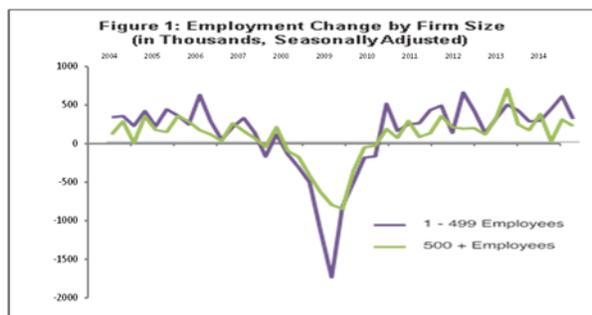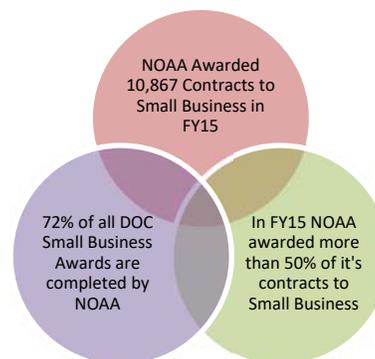

Figure 1 – Declining Trends in Small Business by Firm Size provided by SBA's Small Business Bulletin June, 2015

Figure 2 – NOAA's continues as a leader in government partnerships with Small Business

NOAA obligated approximately $3.3B in FY15. Financial Assistance and transfers to other agencies accounted for approximately $1.9B and the remaining $1.4B was obligated by NOAA under contracts. NOAA goals are reviewed in two different methodologies; Achievement & Goaling. The Achievement methodology takes into consideration only what NOAA is in control of obligating, or NOAA's discretionary spend. The Goaling methodology takes into consideration all contracting dollars obligated by both NOAA and other agencies spending NOAA's money. Goaling includes approximately $1B in transfers to other organizations in FY 15 that NOAA has no control over. According to FPDS approximately 2,200 actions were closeout actions. Subtracting these from the overall transaction list leaves NOAA at about 13,200 transactions for the year.

Under the achievement methodology NOAA met and significantly exceeded all of its small business and small business socioeconomic goals set by the Department of Commerce aside from HUBZone. NOAA obligated approximately $742M out of $1.4B to small businesses equating to a 53.4% overall small business goal achievement for the year, the highest dating back to at least Fiscal Year 2007. HUBZone spending decreased by approximately $4M from last year, but was still higher than previous fiscal years dating back to FY 2007. The SB, 8(a), SDB, & WOSB goals achieved are the highest they have been dating back at least 9 years. The other three programs are also, on average, at the highest level they have ever been.

Figure 3 – At-a-glance NOAA Small Business Initiatives in FY15

FY15 Small Business Accomplishments:

NOAA obligated 53.4% overall spending to small business

NOAA exceeded goals in all socioeconomic programs except for HUBZone.

NOAA's goal achievements were some of the highest they have been dating all the way back to FY 07.
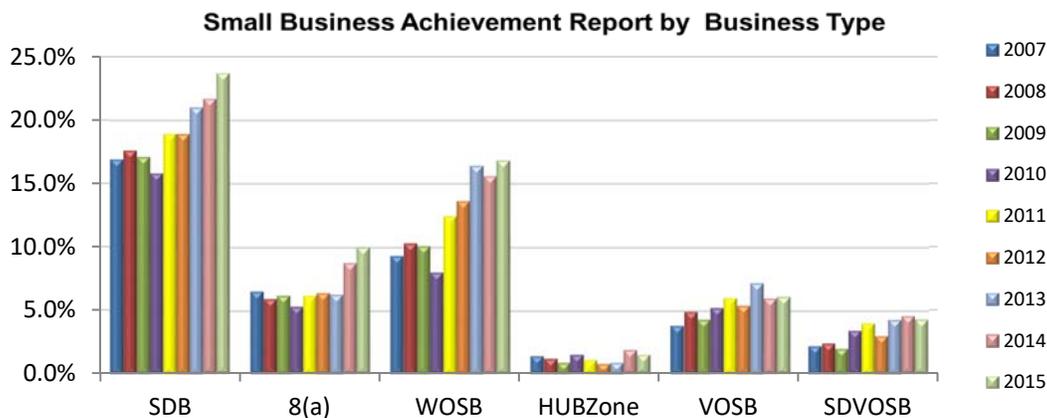

Figure 4 - Graph above shows gradual increasing trend in NOAA's Small Business performance using Achievement Method.

Socioeconomic Program	2007	2008	2009	2010	2011	2012	2013	2014	2015
Small Business	47.2%	50.0%	48.7%	40.6%	45.6%	44.8%	47.8%	49.1%	53.4%
SDB	16.9%	17.6%	17.1%	15.8%	18.9%	18.9%	21.0%	21.7%	23.7%
8(a)	6.5%	5.9%	6.2%	5.3%	6.2%	6.4%	6.3%	8.8%	10.0%
WOSB	9.3%	10.3%	10.1%	8.0%	12.4%	13.6%	16.4%	15.6%	16.8%
HUBZone	1.4%	1.2%	0.9%	1.5%	1.1%	0.8%	0.9%	1.9%	1.5%
VOSB	3.8%	4.9%	4.3%	5.2%	6.0%	5.4%	7.2%	6.0%	6.1%
SDVOSB	2.2%	2.4%	2.0%	3.4%	4.0%	3.0%	4.3%	4.6%	4.3%

Historically highest % of obligations on small business

Table 2 – Outlines the historic trends for NOAA Small Business in various sub-categories using the Achievement Methodology

Under the Goaling methodology NOAA met the SDB, 8(a), & WOSB goals set by Commerce. NOAA then increased our spending in SB, SDB, 8(a), WOSB, and VOSB goals from FY14. However, per a conversation with the Commerce SPE and OSDBU, Commerce is not interested in this methodology because they have agreed to exclude money expended by NASA when figuring NOAA's goal attainment. Statutorily NOAA met all the goals except for the HUBZone and SDVOSB goals under this methodology.

NOAA FY 15 Small Business Award Report by Business Type % of $

Legend:
- Small Business
- Small Disadvantaged Business
- 8(a)
- Woman Owned Small Business
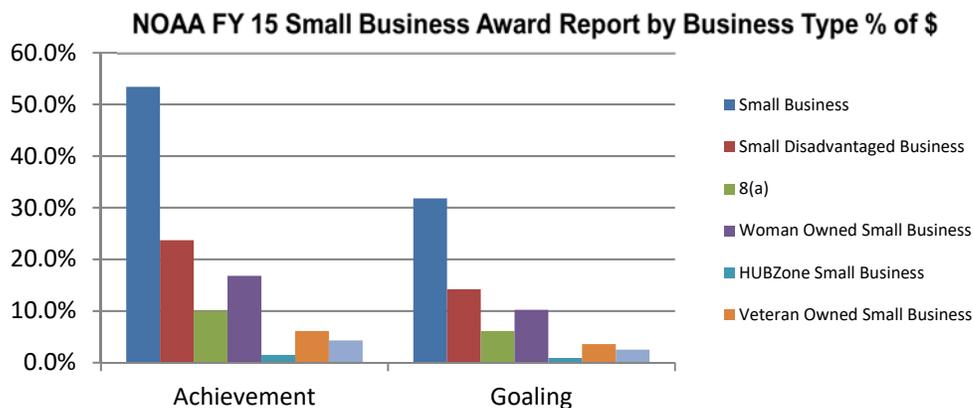- HUBZone Small Business
- Veteran Owned Small Business

Figure 5 - Graph above shows significant increase of spending in a comparison of NOAA's Small Business Measurements using Achievement vs Goaling Methods.

Program	NOAA Achievement	NOAA Goaling	NOAA Goal	DOC Goal	Statutory Goal
Small Business	53.4%	31.8%	49%	37%	23%
Small Disadvantaged Business	23.7%	14.2%	12%	5%	5%
8(a)	10.0%	6.1%	6%	6%	-
Woman Owned Small Business	16.8%	10.2%	10%	5%	5%
HUBZone Small Business	1.5%	0.9%	3%	3%	3%
Veteran Owned Small Business	6.1%	3.6%	4%	4%	-
Service Disabled Veteran Owned Small Business	4.3%	2.5%	3%	3%	3%

Table 3 – Highlights in green show FY15 NOAA Small Business Accomplishments exceeds DOC established goals for NOAA and Statutory Goals in most sub-categories

SMALL BUSINESS TYPE	Add'l SB $ Needed to Meet FY 15 Goal	
	Achievement	Goaling
Small Business	N/A	$408,705,920
Small Disadvantaged Business	N/A	N/A
8(a)	N/A	N/A
Woman-Owned Small Business	N/A	N/A
HUBZone Small Business	$19,103,911	$48,866,516
Veteran-Owned Small Business	N/A	$8,770,041
Service Disabled Veteran Owned	N/A	$11,381,976

Table 4 – Identifies areas where NOAA did not meet Small Business Goals.

The 2010 decennial Census reduced the number of HUBZones across the United States which in turn reduced the total number of HUBZone firms by 37% in 2012.[C]

The HUBZone population is the lowest of all the socioeconomic programs and is one of the hardest certifications to maintain due to the SBA regulations in which 35% of employees of a HUBZone firm must also live within a HUBZone.

How NOAA's funds were obligated by the NOAA Acquisition and Grants Office (AGO) and Delegates

Division	Actions	Obligations	% of Actions	% of Obligations
SSAD	685	$256,882,940	4.5%	18.5%
EAD	3923	$539,280,261	25.5%	38.8%
WAD	4865	$561,667,946	31.7%	40.4%
Field Delegate	3698	$34,305,615	24.1%	2.5%
SSMD	2192	($2,010,979)	14.3%	-0.1%

Table 5 – Lists the volume of actions and obligated dollars by each servicing NOAA AGO acquisition division and NOAA delegates. EAD led AGO in the small business set aside numbers for FY 15. They processed approximately 4,000 transactions worth over $539M and were able to set aside over 63% for small businesses.

The Field Delegates processed approximately 3,700 transactions worth over $34M and met or exceeded every small business goal NOAA has, including HUBZone.

Program	SSAD	EAD	WAD	Field Delegate	NOAA Goal
Small Business	49.8%	63.4%	44.1%	73.6%	49%
SDB	39.3%	26.8%	13.6%	21.8%	12%
8(a)	23.0%	8.5%	5.5%	8.1%	6%
WOSB	28.6%	21.6%	6.9%	15.7%	10%
HUBZone	0.5%	1.8%	1.6%	3.4%	3%
VOSB	6.0%	7.9%	4.4%	8.4%	4%
SDVOSB	5.6%	5.8%	2.2%	5.1%	3%

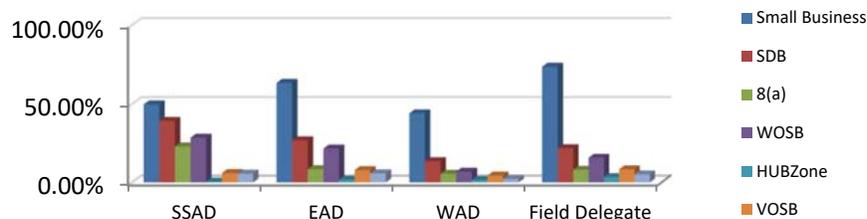Table 6 – Lists Percentage of obligated dollars overall Small Business by AGO Division and NOAA Delegates.

Figure 6 – Lists Percentage of obligated dollars overall Small Business by AGO Division and NOAA Delegates.

Each year the NOAA Small Business Office highlights the accomplishment of a small business contractor that has furthered NOAA's mission through collaboration and cooperation with us. This year the Small Business Office would like to recognize **Lynker Technologies**, a **HUBZone** vendor.

Since its founding in 2008, Lynker Technologies has focused on, and invested in, becoming a trusted small business partner for NOAA. ISO-certified, Lynker has been awarded several multi-year IDIQ prime contracts across several Line Offices, with a current combined ceiling of over $80M. With over 90 staff, Lynker has prime contracts that support: Office of Coast Survey, Marine Chart Division, National Water Center, Alaska Fisheries Science Center, Northwest Fisheries Science Center, Western Coast Region, Pacific Islands Fisheries Science Center, Pacific Islands Region. Lynker became a certified HUBZone company this year, and has offices in Leesburg, VA, Boulder, CO, and Kailua, HI. Lynker was awarded its first HUBZone set-aside last month to support the Monterey Bay National Marine Sanctuary.

Lynker President Joe Linza stated that, "Lynker provides services to NOAA across every time zone in the USA. From the Arctic to the Antarctic, from developing the next generation Nautical Charting system, to modeling hydrometeorological flood forecasts, to rescuing stranded marine mammals, Lynker employees are excited and dedicated to support the NOAA mission."

The particular story, highlighted below, is in relation to work Lynker has done with NOAA's Office of Coast Survey for the Chart Tiles Project. ᴰ

National Ocean Service Office of Coast Survey - Chart Title Service

Lynker Technologies began a small internally-funded research project in 2011 that would advance develop to an important NOAA initiative.

Understanding that mobile application development was becoming increasingly important, Lynker began an Internal Research & Development (IR&D) of an Android mobile app for mariners. The purpose was to download and view NOAA's United States Coast Pilot books. In 2012, Lynker demonstrated the Coast Pilot prototype to NOAA's Office of Coast Survey (OCS). Coast Survey liked the idea and tasked Lynker to develop the prototype into a production-level NOAA technology demonstration as a Government-funded project.

Lynker leveraged open source technology to develop a nautical charts component that seamlessly linked Coast Pilot chart references and NOAA's suite of 2,172 nautical chart datasets, displaying the chart within the app. The app was named MyNOAACharts and released to Google Play in May, 2013 for the general public to download and use.

MyNOAACharts was widely considered a great success, with thousands of users and an excellent rating of 4.6. More importantly, it highlighted for Coast Survey how its nautical charts were being used by its customers: commercial mariners, recreational boaters, and the maritime electronics industry. The various system and

mobile app developers had been quilting and tiling (quilting and tiling refer to the reformatting of NOAA charts for display in web and mobile applications) NOAA's charts in a variety of formats, there was no standard. Also, they were not updating chart information for their customers (the public) frequently due to the complexity and cost of the effort.

That is when OCS's Marine Chart Division and Lynker had an idea. What if, instead of providing a Coast Survey mobile app to mariners and boaters, NOAA provided a free, standard, pre-packaged chart tile service, updated weekly, to maritime electronics and mobile app companies? Allow industry to determine the end products. This way, NOAA would provide industry with chart information that would be leveraged to millions of their customers - a force multiplier. Lynker accompanied Coast Survey to the Miami International Boat Show to access public interest and gather requirements. *Based on strong industry interest, OCS directed Lynker to begin work on the Chart Tile Service in 2014.* And because a NOAA production environment did not yet exist to host the tile service, Lynker (making sure the architecture used industry best practices and standards) developed a relationship with Amazon Web Services and deployed the initial prototypes on the Amazon cloud. This was a successful strategy that facilitated a smooth integration once NOAA's Integrated

Dissemination Portal (IDP) was selected as the environment to host the Chart Tile Service.

The Chart Tile Service has recently undergone a successful thirty-day public review period and is set for its first public release in December. As a trusted partner, Lynker continues to support NOAA's mission with this development of the Chart Tile Service. By providing application developers with specially formatted and packaged nautical charts, those same developers can use the Chart Tile Service to share reliable nautical chart data in the systems and mobile applications they create for the public. This will set the standard for years to come. Active Captain is a mobile app, and an initial user of Chart Tiles Service. **Figure 7** shows how "super impressed" the app developer is with NOAA. They have used an API that Lynker developed, and easily integrated the entire Chart Tile Service – "It took 35 seconds and 1 line" of code! We put in the work to make it easy for NOAA customers!
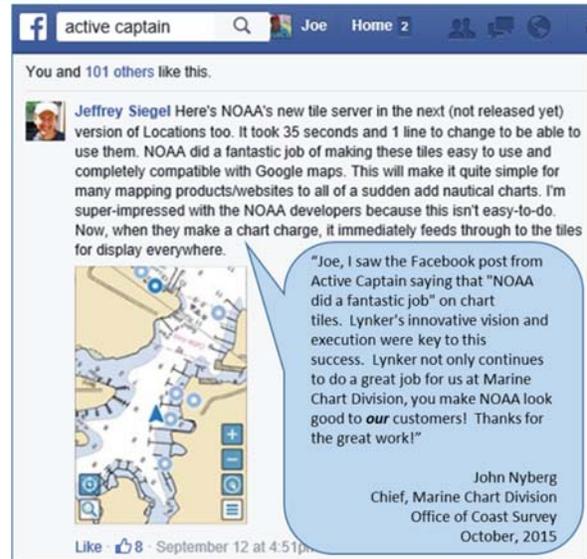

Figure 7 – Facebook praise for the integration efforts of the NOAA's Chart Tile Service

[A] Small Business Administration Office of Advocacy, **Frequently Asked Questions September 2012**, https://www.sba.gov/sites/default/files/FAQ_Sept_2012.pdf, *November 2015.*

[B] Vicki Wright, Demand Media, **Business & Entrepreneurship.** "Reasons Why Small Businesses are Important". http://yourbusiness.azcentral.com/reasons-small-businesses-important-1830.html, *November 2015.*

[C] Federal Computer Week, "HUBZone contracting gets harder".

[D] Lynker Technologies, LLC, Website Success Story: http://www.lynkertech.com/case-studies/